

FORTIETH

ANNUAL REPORT OF THE BOARD OF DIRECTORS

OF THE

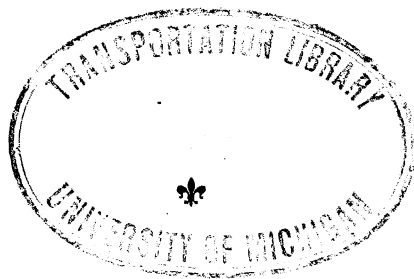
LAKE SHORE AND MICHIGAN SOUTHERN

RAILWAY COMPANY

TO THE STOCKHOLDERS

FOR THE YEAR ENDED

DECEMBER 31 1909



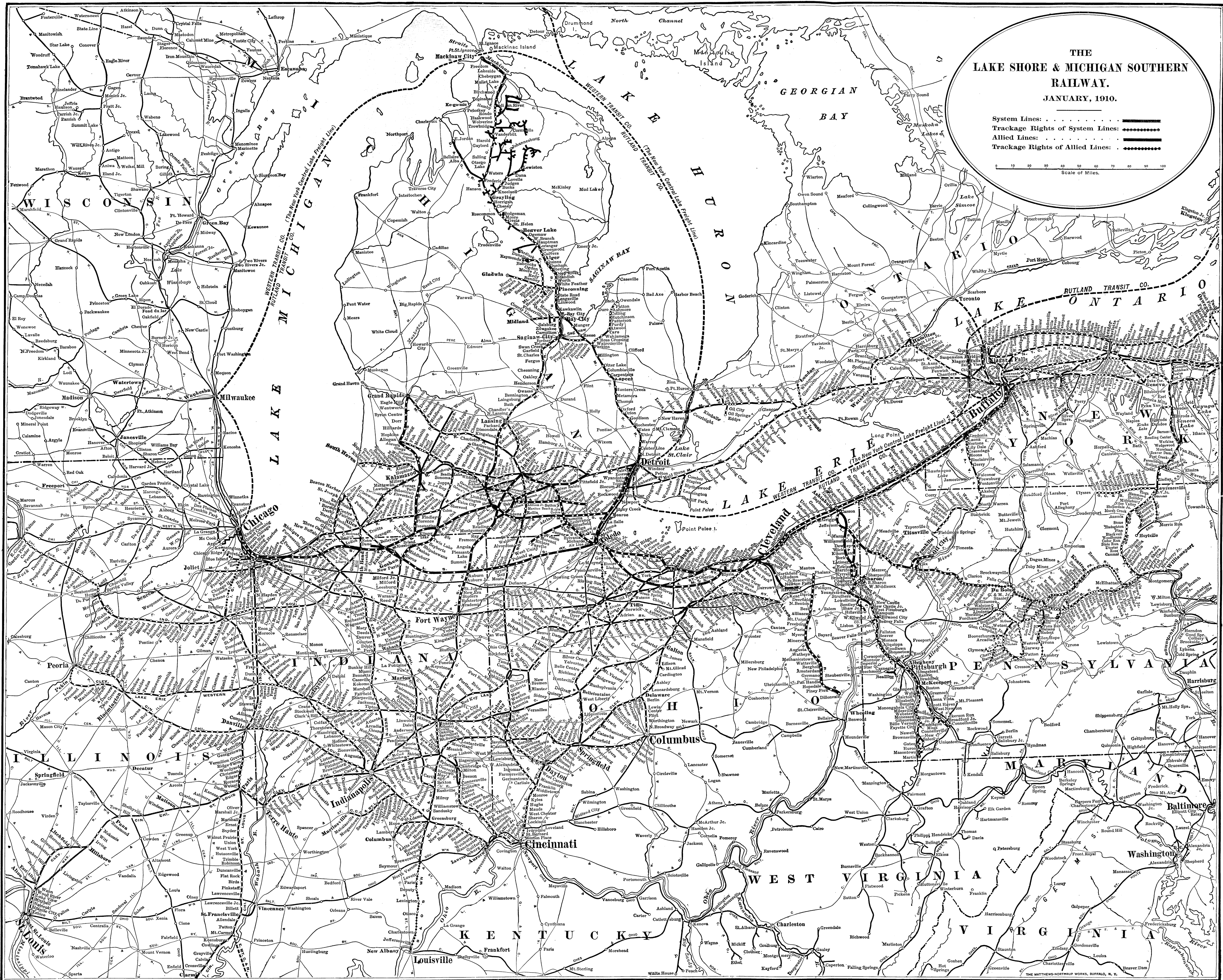
CLEVELAND
OHIO

THE
LAKE SHORE & MICHIGAN SOUTHERN
RAILWAY.

JANUARY, 1910.

System Lines:
Trackage Rights of System Lines:
Allied Lines:
Trackage Rights of Allied Lines:

Scale of Miles.
0 10 20 30 40 50 60 70 80 90 100



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LAKE SHORE AND MICHIGAN SOUTHERN
RAILWAY COMPANY

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CLEVELAND
OHIO

ORGANIZATION OF THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY

DECEMBER 31, 1909

DIRECTORS

FREDERICK W. VANDERBILT		J. PIERPONT MORGAN	
WILLIAM K. VANDERBILT, JR.		DARIUS O. MILLS	
CHAUNCEY M. DEPEW	Term Expires	GEORGE F. BAKER	Term Expires
WILLIAM H. NEWMAN	May 1910	W. SEWARD WEBB	May 1911
WILLIAM C. BROWN			
WILLIAM K. VANDERBILT			
HAMILTON McK. TWOMBLY			
WILLIAM ROCKEFELLER	Term Expires		
MARVIN HUGHITT	May 1912		

EXECUTIVE COMMITTEE

CHAUNCEY M. DEPEW, *Chairman of the Board of Directors**

WILLIAM C. BROWN, *President**

WILLIAM K. VANDERBILT	HAMILTON McK. TWOMBLY
FREDERICK W. VANDERBILT	GEORGE F. BAKER
WILLIAM ROCKEFELLER	J. PIERPONT MORGAN

WILLIAM H. NEWMAN

*Members ex-officio

OFFICERS

President	WILLIAM C. BROWN	New York
Vice President	EDWARD V. W. ROSSITER	New York
Vice President	JOHN CARSTENSEN	New York
Vice President	CHARLES E. SCHAFF	Chicago
Vice President	ALBERT H. HARRIS	New York
Vice President	CHARLES F. DALY	New York
Secretary	DWIGHT W. PARDEE	New York
Treasurer	CHARLES F. COX	New York
Local Treasurer	RUDOLPH P. AHRENS	Cleveland
General Manager	DEWITT C. MOON	Cleveland
General Superintendent	JOHN J. BERNET	Cleveland
General Solicitor	CLYDE BROWN	New York
General Land & Tax Agent	HERBERT D. HOWE	Chicago
Auditor	RICHARD M. HUDDLESTON	Cleveland
General Freight Traffic Manager	BARRETT B. MITCHELL	Chicago
Freight Traffic Manager	GEORGE H. INGALLS	Chicago
General Freight Agent	GEORGE B. WHEELER	Cleveland
General Coal and Ore Agent	HARRY BROMLEY	Cleveland
Passenger Traffic Manager	WARREN J. LYNCH	Chicago
General Passenger Agent	JOHN W. DALY	Cleveland
Chief Engineer	SAMUEL ROCKWELL	Cleveland
General Superintendent M P R S & M	JOHN F. DEEMS	New York
Superintendent Motive Power	LEGRAND PARISH	Cleveland
General Purchasing Agent	FRANCIS H. GREENE	New York
Purchasing Agent	GEORGE R. INGERSOLL	Cleveland

The annual meeting of stockholders for the election of directors is held in the city of Cleveland, Ohio, on the first Wednesday in May.

REPORT

To the Stockholders of

THE LAKE SHORE & MICHIGAN SOUTHERN RAILWAY COMPANY:

The Board of Directors herewith submits its report for the year ended December 31st, 1909, with statements showing the results for the year and the financial condition of the company.

The mileage embraced in the operation of the road is as follows:

	Miles
Main line and branches	870'89
Proprietary lines	215'57
Leased lines	488'50
Trackage rights	87'83
Total	<u>1,662'79</u>

The miles of road operated has increased during the year as follows:

Leased lines increased	72'46	
Trackage rights increased	84'50	156'96
Proprietary lines decreased		<u>5'27</u>
Net increase		<u>151'69</u>

A statement showing in detail the miles of road and track operated, will be found upon another page.

There was no change in capital stock during the year, the amount authorized and outstanding December 31st, 1909, being \$50,000,000.00

There has been no change in the funded debt of the Company, the amount outstanding December 31st, 1909, being \$135,400,000.00

Annual Report

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

	1909 1662'79 miles operated	1908 1511'10 miles operated	Increase 151'69 miles operated	Decrease
OPERATING INCOME				
RAIL OPERATIONS				
Revenues	\$45,110,997.15	\$39,066,941.55	\$ 6,044,055.60	
Expenses	28,023,661.04	25,206,504.44	2,817,156.60	
NET REVENUE FROM RAIL OPERATIONS	\$17,087,336.11	\$13,860,437.11	\$ 3,226,899.00	
Percentage of expenses to revenues	(62.12%)	(64.52%)		(2.40%)
OUTSIDE OPERATIONS				
Revenues	\$ 422,399.56	\$ 326,581.91	\$ 95,817.65	
Expenses	501,806.73	334,392.10	166,914.63	
NET DEFICIT FROM OUTSIDE OPERATIONS	\$ 78,907.17	\$ 7,810.19	\$ 71,096.98	
NET REVENUE FROM ALL OPERATIONS	\$17,008,428.94	\$13,852,626.92	\$ 3,155,802.02	
TAXES ACCRUED	1,458,905.00	1,433,646.68	25,258.32	
OPERATING INCOME	\$15,549,523.94	\$12,418,980.24	\$ 3,130,543.70	
OTHER INCOME				
Joint facilities rents	\$ 381,596.15	\$ 289,975.67	\$ 91,620.48	
Miscellaneous rents	43,070.37	114,438.56		\$ 71,368.19
Dividends on stocks owned or controlled	4,550,205.62	3,126,758.17	1,423,447.45	
Interest on funded debt owned	231,310.00	241,091.32		9,781.32
Interest on other securities, loans and accounts	1,268,721.45	1,321,966.13		53,244.68
Miscellaneous income	11,983.69	2,850.86	9,132.83	
TOTAL OTHER INCOME	\$ 6,486,887.28	\$ 5,097,080.71	\$ 1,389,806.57	
GROSS CORPORATE INCOME	\$22,036,411.22	\$17,516,060.95	\$ 4,520,350.27	
DEDUCTIONS FROM GROSS CORPORATE INCOME				
Rentals of leased lines	\$ 1,858,691.23	\$ 1,100,381.87	\$ 758,309.36	
Hire of equipment				
Car mileage and per diem balances	272,621.06	601,200.38		\$ 328,579.32
Interest on equipment trust certificates	309,331.46	289,225.42	20,106.04	
Joint facilities rents	277,237.45	245,347.55	31,889.90	
Miscellaneous rents	5,051.46	6,701.92		1,650.46
Interest on funded debt	5,920,000.00	5,920,000.00		
Other interest	75,181.93	179,415.86		104,233.93
Dividend on guaranteed stock	64,020.00	64,020.00		
Additions and betterments		1,433,567.61		1,433,567.61
Additional equipment	1,263,186.28		1,263,186.28	
Other deductions	336,728.52		336,728.52	
TOTAL DEDUCTIONS FROM GROSS CORPORATE INCOME	\$10,382,049.39	\$ 9,839,860.61	\$ 542,188.78	
NET CORPORATE INCOME	\$11,654,361.83	\$ 7,676,200.34	\$ 3,978,161.49	
DIVIDENDS, TWO, AGGREGATING 12%	5,935,980.00	5,935,980.00		
SURPLUS FOR THE YEAR	\$ 5,718,381.83	\$ 1,740,220.34	\$ 3,978,161.49	

From the surplus for the year:—	\$5,718,381.83
there was deducted:	
Net loss in adjustment of sundry accounts	68,211.92
	\$5,650,169.91
Amount to the credit of profit and loss, December 31, 1908	21,515,868.19
Balance December 31, 1909	\$27,166,038.10

The Lake Shore and Michigan Southern Railway Company

The operating revenues for the year were \$45,110,997.15, an increase of \$6,044,055.60 as compared with last year.

Revenue derived from transportation of freight amounted to \$29,735,276.62, an increase of \$4,697,172.90, due to improved business conditions during the year, and a resulting increase in tonnage handled.

Passenger revenue was \$10,154,220.17, an increase of \$1,080,551.41, due to a substantial improvement in passenger traffic, and a greater number of passengers carried.

The revenue from transportation of mails was \$2,124,186.70, a decrease of \$64,028.39.

The revenue from express traffic was \$1,502,022.08, an increase of \$41,618.34.

Other passenger train revenue, including excess baggage and milk, amounted to \$637,924.21, an increase of \$152,898.83.

Switching and other transportation revenue amounted to \$604,181.99, an increase of \$91,139.54, due principally to larger receipts from switching service.

Revenues other than from transportation were \$353,185.38, an increase of \$44,702.97, due principally to larger revenue derived from rents of buildings and other property.

The operating expenses for the year amounted to \$28,023,661.04, an increase of \$2,817,156.60.

Maintenance of way and structures increased \$672,079.12. The resumption during the year of important improvement work, consisting of four tracking the main line, strengthening and rebuilding bridges, additional ballasting, etc., made necessary heavy charges to maintenance to provide for changes to existing roadway and structures.

Maintenance of equipment increased \$1,358,728.50, due to the large amount and extensive use of equipment in service during the year.

Traffic expenses increased \$123,056.37, due principally to a larger cost to this company in maintaining fast freight lines and outside agencies.

Transportation expenses increased \$634,869.80, due to heavier volume of traffic handled, affecting largely station and train service.

General expenses increased \$28,422.81.

Outside operations show a loss for the year of \$78,907.17, due to a deficit in the operation of dining cars, restaurants and commercial ice supply plants.

Taxes accrued increased \$25,258.32.

Other income for the year amounted to \$6,486,887.28, an increase of \$1,389,806.57, due to additional revenue received from dividends on stocks owned and rental of joint facilities.

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Deductions from gross corporate income amounted to \$10,382,049.39, an increase of \$542,188.78.

Rentals of leased lines increased \$758,309.36, due to a larger rental paid Mahoning Coal Railroad Company on account of increase in traffic handled over that road and also to rental paid to Jamestown, Franklin & Clearfield Railroad Company.

Other deductions increased \$336,728.52, due to amount paid to the Indiana Harbor Belt Railroad Company as this company's proportion of its deficit from operation.

From the net corporate income of the company for the year, amounting to \$11,654,361.83, two dividends, aggregating 12 per cent., amounting to \$5,935,980.00, were paid, leaving a surplus for the year of \$5,718,381.83.

Additions and betterments to the property during the current year were \$3,564,414.00, the full amount of which was charged direct to capital account. By the elimination of this expense from charges to income in 1909, that account shows a decrease in additions and betterments to the extent of \$1,433,567.61, the amount charged to such account in the previous year.

Expenditures for new equipment purchased during the year, including this company's equity in the New York Central Lines equipment trust of 1907, were as follows:

20 Freight locomotives	\$336,617.96
25 Passenger coaches	278,302.04
2 Dining cars	32,808.21
2 Cafe cars	28,553.78
4 Postal cars	40,108.03
1000 Self clearing steel gondola cars	932,574.58
8 Coal cars, 208 company's service cars, etc.,	113,304.62
Second installment of 1907 Equipment Trust	447,226.18
	<u>\$2,209,495.40</u>

Of the total expenditures as above, there was charged to replacement fund the sum of \$946,309.12, and against income the sum of \$1,263,186.28.

The company acquired through lease, dated April 1st, 1909, the entire railroad and property of the Jamestown, Franklin & Clearfield Railroad Company, extending from the Ohio-Pennsylvania State Line to Oil City, Pennsylvania, and from Polk Junction, to Brookville, Pennsylvania—the latter part of the road being under construction at date of lease, and opened for operation on September 26th, 1909.

In connection with the opening of the above line, trackage rights were acquired over the tracks of the Pennsylvania Railroad between Brookville and Falls Creek, Pennsylvania, and over the tracks of the Buffalo, Rochester & Pittsburgh Railway between Falls Creek and Clearfield, Pennsylvania, forming a connection with the New

The Lake Shore and Michigan Southern Railway Company

York Central & Hudson River Railroad at the latter point—thereby giving the company a direct line from the coal fields of Central Pennsylvania to the port of Ashtabula on Lake Erie. The above largely accounts for the increase in mileage of leased lines and trackage rights.

The company exchanged during the year all of its holdings of the capital stock of the Central Trunk Railway Company, the Franklin and Clearfield Railroad Company, the Jackson Coal Railroad Company, and the Jamestown and Franklin Railroad Company, for a like amount of the capital stock of the Jamestown, Franklin and Clearfield Railroad Company, the latter company being a consolidation of the four former named companies, and in addition thereto the company acquired through purchase, 2,535 shares of the capital stock of the Jamestown, Franklin and Clearfield Railroad Company, and received in reimbursement for advances made to that company for construction purposes, \$11,000,000.00 of its first mortgage four per cent. bonds.

There were also purchased during the year 35,000 shares of stock of The Cleveland Short Line Railway Company, 50,001 shares of stock of the Pittsburgh & Lake Erie Railroad Company, and \$884,000.00 of The Lake Shore & Michigan Southern Railway Company's three year, five per cent. gold notes of 1907.

There were acquired through exchange \$507,000.00 of bonds of the Chicago, Kalamazoo & Saginaw Railway Company for which this company relinquished 1,800 shares of the preferred stock and a promissory note of that company.

On November 10th the Board of Directors approved a plan, to take effect January 1, 1910, for the retirement and pensioning of employees of the company who, through age or disability, become unable to continue in its service. A Board of Pensions, consisting of eight persons to be appointed annually by the President of the company, was established and the sum of \$85,000.00, or such smaller amount as may be necessary, was authorized to be appropriated annually for the payment of pensions. The plan provides that all employees who reach the age of seventy years shall be retired, and that such of them as have been in the service for at least ten years immediately preceding their retirement shall be pensioned. Those employees, who, having been in the service continuously for twenty years, become, in the opinion of the Board of Pensions, unfitted for duty may be retired and pensioned.

The summary of financial operations affecting income and detailed exhibits of operating revenues, expenses, etc., are compiled in accordance with the recent classifications promulgated by the Interstate Commerce Commission.

On January 1st, Mr. Herbert D. Howe was appointed General Land and Tax Agent and Mr. Ora E. Butterfield was appointed Assistant General Solicitor of the company.

On February 1st, Mr. William C. Brown was elected President of the company.

Annual Report

On May 1st, Mr. Edward F. Stephenson was appointed Assistant Secretary of the company.

On August 1st, Mr. George M. Glazier was appointed Assistant Auditor and Mr. George F. Tomlinson was appointed Auditor of Disbursements of the company.

On November 1st, Mr. Newton D. Doughman was appointed Assistant General Attorney of the company.

General conditions were never more favorable, and every visible indication points to renewed and increasing prosperity for the country at large, in which the railroads may hope to participate.

The business of the road shows steady increase; and expenditures which have been made for improvements, adding to efficiency and economy of operation, should be reflected in increased net revenue.

Appreciative acknowledgment is made of the faithful, efficient performance of duty by employees in every department of the service during the year.

WILLIAM C. BROWN,
President

The Lake Shore and Michigan Southern Railway Company

DETAIL OF OPERATING REVENUES

TRANSPORTATION				
	1909	1908	Increase	Decrease
Freight	\$29,735,276.62	\$25,038,103.72	\$4,697,172.90	
Passenger	10,154,220.17	9,073,668.76	1,080,551.41	
Excess baggage	157,266.37	131,205.25	26,061.12	
Mail	2,124,186.70	2,188,215.09		\$64,028.39
Express	1,502,022.08	1,460,403.74	41,618.34	
Milk (on passenger trains)	39,552.16	38,810.85	741.31	
Other passenger train	441,105.68	315,009.28	126,096.40	
Switching	552,882.57	465,466.27	87,416.30	
Special service train	15,878.99	14,552.14	1,326.85	
Miscellaneous transportation	35,420.43	33,024.04	2,396.39	
Totals	\$44,757,811.77	\$38,758,459.14	\$5,999,352.63	
OTHER THAN TRANSPORTATION				
Station and train privileges	\$ 14,214.79	\$ 13,228.87	\$ 985.92	
Parcel room receipts	37,025.50	23,503.79	13,521.71	
Storage—freight	17,226.08	17,533.16		\$ 307.08
Storage—baggage	6,076.00	5,554.95	521.05	
Car service	78,664.30	70,399.22	8,265.08	
Telegraph and telephone service	902.30		902.30	
Rents of buildings and other property	210,439.07	169,186.78	41,252.29	
Miscellaneous	18,370.70	12,376.87	5,993.83	
Joint facilities revenue—Dr.	37,618.54	7,589.61		30,028.93
Joint facilities revenue—Cr.	7,885.18	4,288.38	3,596.80	
Totals	\$ 353,185.38	\$ 308,482.41	\$ 44,702.97	
Total operating revenues	\$45,110,997.15	\$39,066,941.55	\$6,044,055.60	

EXPENSES IN DETAIL (Rail Operations)

MAINTENANCE OF WAY AND STRUCTURES				
	1909	1908	Increase	Decrease
Superintendence	\$ 232,411.93	\$ 221,899.32	\$ 10,512.61	
Ballast	451,113.05	221,264.00	229,849.05	
Ties	975,183.23	969,770.19	5,413.04	
Rails	213,142.42	293,809.21		\$80,666.79
Other track material	238,954.87	403,195.31		164,240.44
Roadway and track	1,956,856.27	1,563,100.31	393,755.96	
Removal of snow, sand and ice	129,235.99	89,281.74	39,954.25	
Tunnels	1,007.15	806.05	201.10	
Bridges, trestles and culverts	224,122.54	167,776.24	56,346.30	
Over and under grade crossings	12,009.55	16,362.04		4,352.49
Grade crossings, fences, cattle guards and signs	114,719.12	101,610.67	13,108.45	
Snow and sand fences and snowsheds	834.14	747.80	86.34	
Signals and interlocking plants	401,442.19	248,532.95	152,909.24	
Telegraph and telephone lines	29,493.54	19,876.51	9,617.03	
Buildings, fixtures and grounds	433,771.85	454,217.38		20,445.53
Docks and wharves	31,122.16	13,068.81	18,053.35	
Roadway tools and supplies	98,355.04	72,769.92	25,585.12	
Injuries to persons	21,660.50	31,819.54		10,159.04
Stationery and printing	19,439.33	24,309.73		4,870.40
Other expenses	272.03	376.18		104.15
Maintaining joint tracks, yards and other facilities—Dr.	96,071.30	92,174.24	3,897.06	
Maintaining joint tracks, yards and other facilities—Cr.	212,855.02	210,484.08		2,370.94
Totals	\$ 5,468,363.18	\$ 4,796,284.06	\$ 672,079.12	

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EXPENSES IN DETAIL (Rail Operations)—Continued

MAINTENANCE OF EQUIPMENT

	1909	1908	Increase	Decrease
Superintendence	\$ 195,812.80	\$ 173,150.86	\$ 22,661.94	
Steam locomotives—repairs	1,692,191.03	1,433,594.97	258,596.06	
Steam locomotives—renewals	349,819.03	224,512.32	125,306.71	
Passenger-train cars—repairs	503,638.06	466,788.98	36,849.08	
Passenger-train cars—renewals	103,222.71	36,500.00	66,722.71	
Freight-train cars—repairs	3,101,198.35	2,228,870.22	872,328.13	
Freight-train cars—renewals	422,483.04	602,580.48		\$180,097.44
Floating equipment—repairs	* 2,972.07	3,057.52		6,029.59
Work equipment—repairs	115,619.69	68,870.19	46,749.50	
Work equipment—renewals	52,559.04	22,800.00	29,759.04	
Shop machinery and tools	206,936.72	131,130.65	75,806.07	
Injuries to persons	38,850.84	25,724.57	13,126.27	
Stationery and printing	25,639.30	27,544.39		1,905.09
Other expenses	57.07	655.53		598.46
Maintaining joint equipment at terminals—Dr.	14,383.57	14,672.29		288.72
Maintaining joint equipment at terminals—Cr.	7,888.52	7,630.81		257.71
Totals	\$ 6,811,550.66	\$ 5,452,822.16	\$ 1,358,728.50	

TRAFFIC EXPENSES

Superintendence	\$ 210,063.85	\$ 187,751.93	\$ 22,311.92	
Outside agencies	197,225.63	174,379.98	22,845.65	
Advertising	152,808.18	123,461.68	29,346.50	
Traffic associations	29,806.72	28,137.03	1,669.69	
Fast freight lines	402,334.61	347,839.88	54,494.73	
Industrial and immigration bureaus	3,501.11	4,155.89		\$ 654.78
Stationery and printing	103,770.80	112,765.14		8,994.34
Other expenses	2,085.57	48.57	2,037.00	
Totals	\$ 1,101,596.47	\$ 978,540.10	\$ 123,056.37	

TRANSPORTATION EXPENSES

Superintendence	\$ 380,239.15	\$ 373,388.13	\$ 6,851.02	
Dispatching trains	179,844.76	172,108.55	7,736.21	
Station employees	2,392,816.26	2,193,198.86	199,617.40	
Weighing and car-service associations	51,871.68	54,984.37		\$ 3,112.69
Coal and ore docks	* 59.96			59.96
Station supplies and expenses	154,495.23	155,130.42		635.19
Yardmasters and their clerks	314,433.74	260,574.85	53,858.89	
Yard conductors and brakemen	1,007,730.35	901,365.67	106,364.68	
Yard switch and signal tenders	125,482.83	128,548.92		3,066.09
Yard supplies and expenses	27,637.44	25,258.36	2,379.08	
Yard enginemen	666,129.58	582,326.75	83,802.83	
Enginehouse expenses—yard	203,928.23	174,443.48	29,484.75	
Fuel for yard locomotives	568,566.98	544,597.53	23,969.45	
Water for yard locomotives	42,914.70	42,141.09	773.61	
Lubricants for yard locomotives	12,945.25	11,536.79	1,408.46	
Other supplies for yard locomotives	18,332.07	16,550.56	1,781.51	
Operating joint yards and terminals—Dr.	209,113.74	288,568.77		79,455.03
Operating joint yards and terminals—Cr.	434,921.75	410,292.36		24,629.39
Road enginemen	1,480,244.28	1,343,166.68	137,077.60	
Enginehouse expenses—road	379,542.88	340,870.12	38,672.76	
Fuel for road locomotives	2,515,616.27	2,392,849.56	122,766.71	
Water for road locomotives	186,170.69	179,147.36	7,023.33	
Lubricants for road locomotives	63,150.85	57,731.60	5,419.25	
Other supplies for road locomotives	46,575.23	53,794.68		7,219.45
Carried forward	\$ 10,592,800.48	\$ 9,881,990.74		

*Credits

The Lake Shore and Michigan Southern Railway Company

EXPENSES IN DETAIL (Rail Operations)—Concluded

	1909	1908	Increase	Decrease
Brought forward	\$10,592,800.48	\$ 9,881,990.74		
Road trainmen	1,496,065.59	1,378,696.47	\$117,369.12	
Train supplies and expenses	455,049.05	419,950.33	35,098.72	
Interlocker, block and other signal—operation	174,220.30	170,767.49	3,452.81	
Crossing flagmen and gatemen	127,713.14	125,282.71	2,430.43	
Drawbridge operation	17,138.03	18,918.67		\$ 1,780.64
Clearing wrecks	54,821.22	46,124.16	8,697.06	
Telegraph and telephone—operation	96,383.09	193,138.76		96,755.67
Stationery and printing	173,762.47	88,246.53	85,515.94	
Other expenses	8,116.67	19,592.13		11,475.46
Loss and damage—freight	499,541.21	623,165.14		123,623.93
Loss and damage—baggage	2,850.66	5,962.34		3,111.68
Damage to property	26,880.11	24,742.11	2,138.00	
Damage to stock on right of way	6,374.37	6,622.15		247.78
Injuries to persons	221,211.50	288,729.18		67,517.68
Operating joint tracks and facilities—Dr.	70,046.36	36,291.43	33,754.93	
Operating joint tracks and facilities—Cr.	108,017.27	48,133.16		59,884.11
Totals	\$13,914,956.98	\$13,280,087.18	\$ 634,869.80	

GENERAL EXPENSES

Salaries and expenses of general officers	\$ 100,031.16	\$ 98,693.78	\$ 1,337.38	
Salaries and expenses of clerks and attendants	358,924.57	345,245.22	13,679.35	
General office supplies and expenses	38,016.01	44,284.26		\$ 6,268.25
Law expenses	128,222.50	117,592.02	10,630.48	
Insurance	4,187.86	2,648.85	1,539.01	
Pensions	25,684.74	17,547.44	8,137.30	
Stationery and printing	49,468.86	43,500.22	5,968.64	
Other expenses	17,852.90	25,636.36		7,783.46
General administration joint tracks, yards and terminals—Dr.	4,857.53	3,643.91	1,213.62	
General administration joint tracks, yards and terminals—Cr.	52.38	21.12		31.26
Totals	\$ 727,193.75	\$ 698,770.94	\$ 28,422.81	
Total operating expenses	\$28,023,661.04	\$25,206,504.44	\$2,817,156.60	

Percentage of Operating Expenses to Operating Revenues by Groups

	1909	1908
Maintenance of way and structures	12.12	12.28
Maintenance of equipment	15.10	13.94
Traffic expenses	2.44	2.50
Transportation expenses	30.85	34.00
General expenses	1.61	1.80
Totals	62.12	64.52

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OUTSIDE OPERATIONS

	1909	1908	Increase	Decrease
DINING CAR SERVICE				
Revenue	\$ 361,227.58	\$ 302,561.27	\$ 58,666.31	
Expenses	427,475.81	310,282.11	117,193.70	
Net deficit	\$ 66,248.23	\$ 7,720.84	\$ 58,527.39	
RESTAURANTS				
Revenue	\$ 20,337.59	\$ 9,486.47	\$ 10,851.12	
Expenses	20,719.50	6,883.92	13,835.58	
Net revenue	\$ * 381.91	\$ 2,602.55		\$ 2,984.46
*Deficit				
COMMERCIAL ICE SUPPLY PLANTS				
Revenue	\$ 40,834.39	\$ 14,534.17	\$ 26,300.22	
Expenses	53,111.42	17,226.07	35,885.35	
Net deficit	\$ 12,277.03	\$ 2,691.90	\$ 9,585.13	

TAXES ACCRUED

	1909	1908	Increase	Decrease
ON CAPITAL STOCK				
New York	\$ 6,728.21	\$ 7,999.80		\$ 1,271.59
Pennsylvania	16,375.00	19,112.00		2,737.00
ON GROSS EARNINGS				
New York	1,769.00	2,050.07		281.07
Pennsylvania	105.17	1,372.71		1,267.54
Ohio	127,270.33	125,180.58	\$ 2,089.75	
ON REAL ESTATE				
New York	76,915.43	88,710.36		11,794.93
Pennsylvania	4,890.88	5,917.46		1,026.58
Ohio	525,863.87	493,803.17	32,060.70	
Indiana	284,707.77	285,900.57		1,192.80
Michigan	336,578.84	329,811.60	6,767.24	
Illinois	63,601.59	59,280.66	4,320.93	
ON BONDED DEBT (Pennsylvania)	12,500.00	12,968.58		468.58
RAILROAD COMMISSIONERS' ASSESSMENTS (Ohio)	1,598.91	1,539.12	59.79	
Totals	\$1,458,905.00	\$1,433,646.68	\$ 25,258.32	

*The Lake Shore and Michigan Southern Railway Company***DEDUCTIONS FROM INCOME***Rentals of Leased Lines*

Erie and Kalamazoo Railroad	\$ 30,000.00	
Detroit, Hillsdale and Southwestern Railroad	54,500.00	
Fort Wayne and Jackson Railroad	127,527.88	
Kalamazoo, Allegan and Grand Rapids Railroad	78,600.00	
Sturgis, Goshen and St. Louis Railway	9,660.00	
Battle Creek and Sturgis Railway	2,370.00	
Jamestown, Franklin and Clearfield Railroad	380,937.29	
Mahoning Coal Railroad	1,175,096.06	\$1,858,691.23

Hire of Equipment

Car mileage and per diem balances	\$ 272,621.06	
Interest on equipment trust certificates	309,331.46	581,952.52
Joint facilities rents		277,237.45
Miscellaneous rents		5,051.46

Interest on Funded Debt

Interest 3½% per annum on Gold mortgage bonds of 1897	\$1,750,000.00	
Interest 4% per annum on Gold bonds of 1903	2,000,000.00	
Interest 4% per annum on Gold bonds of 1906	1,400,000.00	
Interest 5% per annum on Kalamazoo and White Pigeon mortgage bonds	20,000.00	
Interest 5% per annum on Gold notes of 1907	750,000.00	5,920,000.00
Dividend 12% on 5,335 shares L S & M S R'y guaranteed stock		64,020.00
Interest on loans and bills payable		75,181.93

Additional Equipment

Locomotives	\$ 38,984.06	
Passenger-train cars	285,356.81	
Freight-train cars	878,302.04	
Work equipment	60,543.37	1,263,186.28

Other Deductions

Indiana Harbor Belt Railroad Co., Proportion of deficit from operation for year 1909	336,728.52
Total deductions from income	\$10,382,049.39

DIVIDENDS

Payable July 29th, 1909, 6% on 494,665 shares of capital stock	\$2,967,990.00
Payable Jan. 29th, 1910, 6% on 494,665 shares of capital stock	2,967,990.00
Total	\$5,935,980.00

*Annual Report***DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY**

EXPENDITURES DURING THE YEAR FOR ADDITIONS AND IMPROVEMENTS TO THE PROPERTY CHARGED TO CAPITAL ACCOUNT

ROADWAY AND BRIDGES:

Lake View to Conneaut, additional main tracks	\$ 20,169.77	
Dunkirk to State Line, additional main tracks	153,939.54	
Erie to North East, additional main tracks	36,437.39	
Ashtabula to Willoughby, additional main tracks	250,418.47	
Elyria Junction to Vermillion, additional main tracks	195,973.94	
Berea to Shawville, additional main tracks and elimination of curve	355,829.26	
Stryker to Mina, additional main tracks	195,837.95	
Elkhart to Millersburg, additional main tracks	71,119.35	
Lydick to Rolling Prairie, additional main tracks	157,536.74	
Indiana Harbor to Clark Junction, additional main tracks	94,242.28	
Pinola to Durham, westbound freight track	16,822.31	
Chicago, additional main track 22nd St. to 39th St.	45,237.39	
Andover to Raymilton, additional main and passing tracks	11,432.16	
Ashtabula, elimination of grade crossing, Lake St.	28,546.12	
Detroit, elimination of various grade crossings	33,338.50	
Nottingham, new bridge over Neff Road	10,752.75	
Indiana Harbor, new lift bridge over canal	125,868.00	
Strengthening and renewing various bridges	23,286.46	
Grand Crossing to Englewood, elevation of tracks	474,298.29	
Air Line and Western Divisions, additional passing sidings account changing to right-hand running	246,705.83	
Additional yard facilities, new block signals and various other improvements	128,464.94	
Miscellaneous passing and industrial sidings	83,302.98	\$2,759,560.42

STATIONS AND OTHER STRUCTURES:

Collinwood, purchase of ice house	\$ 35,605.98	
Elyria, new freight station	17,641.12	
Toledo, new freight station	12,254.85	
LaPorte, new passenger station	12,466.65	
Gary, new passenger station	44,994.82	
Chicago, new freight house, Clark St.	29,747.45	
Ashtabula Harbor, dock improvements	485,911.46	
Cleveland, new freight house	73,074.84	
Additions and improvements to various water stations	12,226.69	
Various improvements to shops, enginehouses, and other structures	56,026.90	779,950.76

LAND AT VARIOUS PLACES:

24,902.82

Total

\$3,564,414.00

The Lake Shore and Michigan Southern Railway Company
NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1907

The following statement shows the character of the equipment acquired under the terms of the New York Central Lines Equipment Trust Agreement and Lease of 1907, together with the total amount of certificates issued by the Guaranty Trust Company, and the amount now outstanding:

Road	Loco- motives	Passenger cars	Freight cars	Company service cars	Certificates issued by Guaranty Trust Co. for 90 per cent. of value	Rental paid and applied to redemption of certificates	Balance certificates issued by Guaranty Trust Co. outstanding December 31, 1909
N Y C & H R R R Co	447	88	4,000	—	\$11,904,901.78	\$1,587,320.24	\$10,317,581.54
L S & M S Ry Co	125	25	4,000	200	6,708,392.73	894,452.36	5,813,940.37
C I & S R R Co	2	8	3,400	150	3,779,976.60	503,996.88	3,275,979.72
M C R R Co	5	15	3,500	200	3,906,381.73	520,850.90	3,385,530.83
C C C & St L Ry Co	112	17	1,525	100	3,700,347.16	493,379.62	3,206,967.54
Totals	691	153	16,425	650	\$30,000,000.00	\$4,000,000.00	\$26,000,000.00

In addition to the annual rental payment of one-fifteenth of the par value of the certificates originally issued, the further sum of \$1,400,000, representing interest at the rate of 5 per cent per annum on \$28,000,000 of certificates, was paid in 1909 by the companies parties to the agreement, as follows:

New York Central & Hudson River Railroad Company	\$ 555,562.08
Lake Shore & Michigan Southern Railway Company	313,058.34
Chicago, Indiana & Southern Railroad Company	176,398.90
Michigan Central Railroad Company	182,297.82
Cleveland, Cincinnati, Chicago & St. Louis Railway Company	172,682.86
Total	<u>\$1,400,000.00</u>

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CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1909

Assets

Property owned as investment

Physical property owned			
Road and equipment to June 30, 1907			
Road	\$66,960,000.00		
Equipment	24,800,000.00	\$ 91,760,000.00	
Road and equipment since June 30, 1907			
Road	\$ 7,388,170.70		
Equipment	2,174,311.88	9,562,482.58	
Securities owned			
Securities of proprietary, affiliated and controlled companies—unpledged		6,976,221.87	
Investments			
Other permanent investments		192,488.50	
Physical property			\$108,491,192.95

Working assets

Cash			
Treasurer	\$12,205,888.78		
Local treasurer	534,790.66		
Local treasurer's cash in transit	140,000.00		
Station agents' remittances in transit	1,049,179.87		
Lincoln National Bank for payment of interest	68,145.00	\$ 13,998,004.81	
Marketable securities			
Securities issued or assumed—unpledged			
Lake Shore & Michigan Southern Ry Co stock	\$ 6,741.50		
Lake Shore & Michigan Southern Ry Co 3-year 5% gold notes	894,888.54	901,630.04	
Other marketable securities		94,624,309.21	
Loans and bills receivable			
Lake Erie & Western Railroad Co	\$ 952,915.88		
Cleveland, Cincinnati, Chicago & St Louis Ry Co	3,000,000.00	3,952,915.88	
Net traffic, car mileage and per diem balance		793,191.73	
Net balance due from agents and conductors		592,343.61	
Miscellaneous accounts receivable		8,450,106.01	
Materials and supplies		3,684,439.41	
Other working assets		375,206.76	127,372,146.96

Deferred debit items

Advances			
Advances to proprietary, affiliated and controlled companies			
Cleveland Short Line Ry Co	\$4,234,941.68		
Lake Erie & Pittsburg Ry Co	3,242,157.46		
Lake Erie, Alliance & Wheeling R R Co	917,289.72		
Terminal Ry of Buffalo	500,000.00		
Indiana Harbor Belt R R Co	793,846.61		
Chicago, Indiana & Southern R R Co	505,000.00		
Jamestown, Franklin & Clearfield R R Co	100,257.58	\$10,293,493.05	
Working funds			
Other advances	263,527.32		
	33,978.40	\$10,590,998.77	
Cash and securities in sinking and redemption funds			
Items in suspense		5,000.00	
		261,529.43	10,857,528.20

\$246,720,868.11

*The Lake Shore and Michigan Southern Railway Company***CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1909***Liabilities**Stock*

Capital stock		
Common stock	\$ 49,466,500.00	
Guaranteed stock	533,500.00	\$ 50,000,000.00

Mortgage, bonded and secured debt

Funded debt		
Mortgage bonds		
First general mortgage 3½ % bonds of 1897	\$50,000,000.00	
Kalamazoo & White Pigeon first mortgage bonds	400,000.00	\$ 50,400,000.00
Plain bonds, debentures and notes		
Gold 4% bonds of 1903	\$50,000,000.00	
Gold 4% bonds of 1906	35,000,000.00	
Three-year 5% gold notes of 1907	15,000,000.00	100,000,000.00
		150,400,000.00

Working liabilities

Loans and bills payable	\$ 1,705,253.49	
Audited vouchers and wages unpaid		
Audited vouchers	\$ 4,405,193.65	
Audited pay-rolls	1,747,910.51	6,153,104.16
Miscellaneous accounts payable	283,868.49	
Matured dividends, interest and rents unpaid	88,147.54	
Other working liabilities	97,911.55	8,328,285.23

Accrued liabilities not due

Dividends declared and interest and rents accrued, not due	4,583,149.01
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Deferred credit items

Operating reserves		
Reserves for replacement of property	\$ 6,312.10	
Items in suspense	239,015.09	245,327.19

Appropriated surplus

Additions to property through income since June 30, 1907	5,998,068.58
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Free surplus

Profit and loss—balance	27,166,038.10
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\$246,720,868.11

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STOCK AND BONDS OWNED

Stock

	Number of Shares	Total par value
Battle Creek & Sturgis Railway Co	825	\$ 82,500.00
Chicago, Indiana & Southern Railroad Co preferred	50,000	5,000,000.00
Chicago, Indiana & Southern Railroad Co common	120,000	12,000,000.00
Chicago, Kalamazoo & Saginaw Railway Co	1,800	180,000.00
Cleveland, Cincinnati, Chicago & St. Louis Railway Co	302,077	30,207,700.00
Cleveland Short Line Railway Co	37,500	3,750,000.00
Detroit & Chicago Railroad Co	10,000	1,000,000.00
Detroit, Monroe & Toledo Railroad Co	4,141	414,100.00
Detroit, Toledo & Milwaukee Railroad Co	7,500	750,000.00
Detroit Terminal Railroad Co	933	93,300.00
Elkhart & Western Railroad Co	4,598	229,900.00
Fairport & Phalanx Railroad Co	10	1,000.00
Hocking Valley Railway Co	11,540	1,154,000.00
Indiana Harbor Belt Railroad Co	12,250	1,225,000.00
Jamestown, Franklin & Clearfield Railroad Co	29,945 1/2	2,994,550.00
Jefferson Coal Co	5,100	510,000.00
Kalamazoo & White Pigeon Railroad Co	2,309	230,900.00
Lake Erie, Alliance & Wheeling Railroad Co	30,000	3,000,000.00
Lake Erie & Pittsburg Railway Co	50	5,000.00
Lake Erie & Western Railroad Co preferred	59,300	5,930,000.00
Lake Erie & Western Railroad Co common	59,400	5,940,000.00
Lake Shore & Michigan Southern Railway Co	39	3,900.00
Lansing Transit Railway Co	10	1,000.00
Mahoning Coal Railroad Co preferred	7,990	399,500.00
Mahoning Coal Railroad Co common	17,318	865,900.00
Mahoning State Line Railroad Co	12	600.00
Merchants Despatch Transportation Co	23,335	2,333,500.00
New York, Chicago & St. Louis Railroad Co 1st preferred	25,030	2,503,000.00
New York, Chicago & St. Louis Railroad Co 2nd preferred	62,750	6,275,000.00
New York, Chicago & St. Louis Railroad Co common	62,400	6,240,000.00
Northern Central Michigan Railroad Co	5,985	598,500.00
Pittsburgh & Lake Erie Railroad Co	150,003	7,500,150.00
Reading Company 1st preferred	121,300	6,065,000.00
Reading Company 2nd preferred	285,300	14,265,000.00
Reading Company common	200,050	10,002,500.00
Sturgis, Goshen & St. Louis Railway Co	3,000	300,000.00
Swan Creek Railway Co	400	40,000.00
Taylor Street Warehouse Co	100	10,000.00
Terminal Railway of Buffalo	5,000	500,000.00
Toledo Terminal Railroad Co	4,800	480,000.00
Westinghouse Electric & Manufacturing Co	6	300.00
Total par value stock		\$133,081,800.00

Bonds

	Total amount held
Chicago, Kalamazoo & Saginaw Railway Co First mortgage	\$ 507,000.00
Elkhart & Western Railroad Co First mortgage	200,000.00
Jamestown, Franklin & Clearfield Railroad Co First mortgage	11,000,000.00
Terminal Railway of Buffalo First mortgage	500,000.00
Total par value bonds	\$ 12,207,000.00
Grand total par value stock and bonds	\$145,288,800.00

The above securities are carried on the books of the company at a total value of \$101,607,272.58

*The Lake Shore and Michigan Southern Railway Company***CAPITALIZATION***Capital stock*

Number of shares issued—Common	494,665	Total par value issued and	
Number of shares issued—Guaranteed ten per cent.	5,335	outstanding	\$50,000,000.00
Total number of shares outstanding	500,000	Total par value authorized	\$50,000,000.00
Number of shares authorized	500,000	Par value per share	\$100.00

Amount of capital stock per mile of road owned (870.89 miles) \$57,412.53

Funded debt

<u>Class of Bond</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Amount of authorized issue</u>	<u>Amount issued and now outstanding</u>	<u>Rate of interest</u>	<u>Payable on the first days of</u>
Gold mortgage	1897	June 1, 1997	\$50,000,000.00	\$50,000,000.00	3½%	December and June
Gold bonds	1903	Sept. 1, 1928	50,000,000.00	50,000,000.00	4 %	March and September
Gold bonds	1906	May 1, 1931	50,000,000.00	35,000,000.00	4 %	November and May

Bonds of other roads assumed by this company

Kalamazoo & White Pigeon	1890	Jan. 1, 1940	\$400,000.00	\$400,000.00	5 %	January and July
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Amount of funded debt per mile of road owned (870.89 miles), excluding Kalamazoo and White Pigeon bonds \$155,013.83

*Treasurer, Room 219 Grand Central Station,
New York*

Union Trust Company, New York

{ Transfers stock
 { Pays dividends
 { Transfers registered bonds
 { Pays interest on coupon and registered bonds
 Registers stock

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TABLE OF TRACKS

MAIN LINE	Miles	Second Track	Third Track	Fourth Track	Sidings	Total
Buffalo to Toledo, via Norwalk	293.71	214.81	176.02	113.46	383.46	1,181.46
Toledo to Chicago, via Adrian	242.90	96.40	24.71	12.70	320.69	697.40
<i>Total main line</i>	536.61	311.21	200.73	126.16	704.15	1,878.86
BRANCHES						
Ashtabula to Ohio-Penna. State Line	30.72	4.71			11.71	47.14
Ashtabula to Ashtabula Harbor	2.33				48.59	50.92
Elyria Jct. to Milbury Jct., via Sandusky	73.08	73.08	12.09		75.08	233.33
Air Line Junction to Elkart, via Air Line	131.10	131.16	31.11	15.55	61.59	370.51
Air Line Jct. to Ohio-Michigan State Line	7.36	2.30			7.27	16.93
Monroe to Lenawee Junction	29.46				6.14	35.60
Lenawee Junction to Jackson	42.13				6.13	48.26
Carson to Mann—low grade line	18.10				8.44	26.54
<i>Total branches</i>	334.28	211.25	43.20	15.55	224.95	829.23
<i>Total main line and branches</i>	870.89	522.46	243.93	141.71	929.10	2,708.09
PROPRIETARY LINES (OWNED WHOLLY BY THIS COMPANY)						
Detroit, Monroe and Toledo Railroad						
Ohio-Michigan State Line to Detroit	51.43				30.58	82.01
Detroit and Chicago Railroad						
Grosvenor to Fayette	25.22				3.26	28.48
Northern Central Michigan Railroad						
Jonesville to North Lansing	61.34				10.11	71.45
Sturgis, Goshen and St. Louis Railway						
Goshen to Sturgis	28.94				1.84	30.78
Elkhart and Western Railroad						
Elkhart to Mishawaka	12.10				9.08	21.18
Kalamazoo and White Pigeon Railroad						
White Pigeon to Kalamazoo	36.54				10.68	47.22
<i>Total proprietary lines</i>	215.57				65.55	281.12
LEASED LINES						
Jamestown, Franklin and Clearfield R. R.						
Ohio-Penna. State Line to Rose Siding, via Franklin	103.70				31.78	135.48
Franklin to Oil City	8.97				6.72	15.69
Polk Junction to Belmar	10.72				4.21	14.93
Mahoning Coal Railroad						
Andover to Youngstown	38.18	10.96			35.22	84.36
Mann to Brookfield—low grade line	24.49				11.24	35.73
Sharon Branch	7.94				10.56	18.50
Branch to Keel Ridge					.92	.92
Detroit, Toledo and Milwaukee Railroad						
Dundee to Homer	66.58				6.58	73.16
Detroit, Hillsdale and Southwestern R. R.						
Ypsilanti to Bankers	64.74				4.52	69.26
Fort Wayne and Jackson Railroad						
Jackson to Fort Wayne	97.53				18.83	116.36
Kalamazoo, Allegan and Grand Rapids R. R.						
Kalamazoo to Grand Rapids	58.45				15.17	73.62
Battle Creek and Sturgis Railway						
Sturgis to Findley	7.20				.63	7.83
<i>Total leased lines</i>	488.50	10.96			146.38	645.84

*The Lake Shore and Michigan Southern Railway Company**TABLE OF TRACKS—Continued*

TRACKAGE RIGHTS	Miles	Second Track	Third Track	Fourth Track	Sidings	Total
Pennsylvania Railroad						
Rose Siding to Falls Creek	21.68					21.68
Buffalo, Rochester and Pittsburgh Ry.						
Falls Creek to Clearfield	31.20					31.20
New York Central and Hudson River R. R.						
Buffalo, N. Y.	.66					.66
Pennsylvania Railroad						
Oil City, Pa.	1.00					1.00
Erie Railroad						
Sharpsville to West Middlesex	10.28					10.28
Grand Trunk Railway						
D & M Jet to Brush St., Detroit	3.33					3.33
Michigan Central Railroad						
Jackson	.46					.46
Michigan Central Railroad						
Ypsilanti	.34					.34
New York, Chicago and St. Louis Railroad						
Grand Crossing to Osborn	13.90					13.90
Chicago, Indiana and Southern Railroad						
Osborn to Indiana Harbor	4.98					4.98
<i>Total trackage rights</i>	<u>87.83</u>					<u>87.83</u>
<i>Total mileage operated</i>	<u>1,662.79</u>	<u>533.42</u>	<u>243.93</u>	<u>141.71</u>	<u>1,141.03</u>	<u>3,722.88</u>

TABLE OF TRACKS ACCORDING TO STATES

STATE	Miles	Second Track	Third Track	Fourth Track	Sidings	Total
New York	68.44	67.82	61.21	34.63	95.79	327.89
Pennsylvania	233.43	43.96	43.77	32.87	89.58	443.61
Ohio	463.58	261.44	105.17	62.22	548.75	1,441.16
Michigan	606.32				137.37	743.69
Indiana	267.16	152.55	33.25	11.47	197.94	662.37
Illinois	23.86	7.65	.53	.52	71.60	104.16
Totals	<u>1,662.79</u>	<u>533.42</u>	<u>243.93</u>	<u>141.71</u>	<u>1,141.03</u>	<u>3,722.88</u>

Annual Report

MILEAGE STATISTICS

LOCOMOTIVE MILEAGE

	1909	1908	Increase	Decrease
REVENUE SERVICE				
Freight locomotive-miles	10,399,876	9,261,282	1,138,594	
Passenger locomotive-miles	9,236,511	8,386,120	850,391	
Mixed locomotive-miles	81,059	71,764	9,295	
Special locomotive-miles	13,856	33,438		19,582
Switching locomotive-miles	6,685,230	5,964,734	720,496	
Total revenue locomotive mileage	26,416,532	23,717,338	2,699,194	
Non-revenue locomotive mileage	1,713,303	1,006,731	706,572	
Total locomotive mileage	28,129,835	24,724,069	3,405,766	

TRAIN MILEAGE

REVENUE SERVICE				
Freight train-miles	9,127,960	8,202,553	925,407	
Passenger train-miles	8,587,038	8,005,477	581,561	
Mixed train-miles	62,020	66,528		4,508
Special train-miles	11,622	7,073	4,549	
Total revenue train mileage	17,788,640	16,281,631	1,507,009	
Non-revenue train mileage	950,175	535,090	415,085	
Total train mileage	18,738,815	16,816,721	1,922,094	

CAR MILEAGE

REVENUE SERVICE				
Freight car-miles				
Loaded	284,685,780	246,328,725	38,357,055	
Empty	133,887,193	125,587,677	8,299,516	
Caboose	9,557,162	8,485,656	1,071,506	
Total freight car-miles	428,130,135	380,402,058	47,728,077	
Passenger car-miles				
Passenger	16,985,117	14,900,552	2,084,565	
Sleeping, parlor and observation	17,542,945	14,245,057	3,297,888	
Other passenger-train cars	25,898,493	23,725,415	2,173,078	
Total passenger car-miles	60,426,555	52,871,024	7,555,531	
Special car-miles				
Freight—loaded	196,314	83,047	113,267	
Freight—empty	192	528		336
Caboose	10,708	5,097	5,611	
Passenger	1,211	1,047	164	
Sleeping, parlor and observation	1,460	3,598		2,138
Other passenger-train cars	1,679	1,392	287	
Total special car-miles	211,564	94,709	116,855	
Total revenue car mileage	488,768,254	433,367,791	55,400,463	
Non-revenue car mileage	7,355,545	2,775,777	4,579,768	
Total car mileage	496,123,799	436,143,568	59,980,231	

*The Lake Shore and Michigan Southern Railway Company***TRAFFIC STATISTICS**

DESCRIPTION OF FREIGHT MOVED

	1909 Tons	1908 Tons	Increase Tons	Decrease Tons
PRODUCTS OF AGRICULTURE				
Grain	1,557,982	1,726,872		168,890
Flour	406,761	392,993	13,768	
Other mill products	343,338	312,365	30,973	
Hay	309,633	286,042	23,591	
Tobacco	27,290	23,908	3,382	
Cotton	50,360	38,930	11,430	
Fruit and vegetables	319,801	342,049		22,248
Other articles	135,367	126,930	8,437	
PRODUCTS OF ANIMALS				
Live stock	659,459	632,059	27,400	
Dressed meats	202,903	234,686		31,783
Other packing house products	129,859	152,955		23,096
Poultry, game and fish	58,810	53,114	5,696	
Wool	17,902	14,844	3,058	
Hides and leather	62,363	50,585	11,778	
Dairy products	118,682	101,105	17,577	
Other articles	103,151	84,718	18,433	
PRODUCTS OF MINES				
Anthracite coal	1,133,315	1,426,354		293,039
Bituminous coal	7,982,798	6,718,345	1,264,453	
Coke	1,573,463	824,913	748,550	
Ores	5,435,180	2,605,232	2,829,948	
Stone, sand and other like articles	2,956,653	2,344,662	611,991	
Other articles	145,421	171,389		25,968
PRODUCTS OF FOREST				
Lumber	790,394	693,613	96,781	
Other articles	144,576	153,590		9,014
MANUFACTURES				
Petroleum and other oils	560,463	521,647	38,816	
Sugar	87,906	98,318		10,412
Naval stores	6,505	5,704	801	
Iron, pig and bloom	646,871	495,745	151,126	
Iron and steel rails	53,981	63,552		9,571
Other castings and machinery	521,303	405,403	115,900	
Bar and sheet metal	1,359,092	742,794	616,298	
Cement, brick and lime	1,101,119	887,728	213,391	
Agricultural implements	100,917	87,295	13,622	
Wagons, carriages, tools, etc.	129,235	88,763	40,472	
Wines, liquors and beers	132,911	126,120	6,791	
Household goods and furniture	68,807	53,014	15,793	
Other articles	3,177,491	2,734,717	442,774	
MISCELLANEOUS				
Other commodities not previously mentioned	468,504	389,325	79,179	
TOTALS	33,080,566	26,212,378	6,868,188	

Annual Report

TRAFFIC STATISTICS—Continued

	FREIGHT			
	1909	1908	Increase	Decrease
Tons of revenue freight carried	33,080,566	26,212,378	6,868,188	
Tons of company freight carried	3,821,702	3,053,484	768,218	
Total tons of freight carried	36,902,268	29,265,862	7,636,406	
Tons of revenue freight carried one mile	5,736,452,739	4,851,849,036	884,603,703	
Tons of company freight carried one mile	279,385,464	227,072,584	52,312,880	
Total tons of freight carried one mile	6,015,838,203	5,078,921,620	936,916,583	
Miles of road operated in freight service	1,543.73	1,511.10	32.63	
Tons of revenue freight carried one mile per mile of road	3,715,969	3,210,806	505,163	
Tons all freight carried one mile per mile of road	3,896,950	3,361,076	535,874	
Average distance haul of one ton of revenue freight	173.4	185.1		11.7
Average distance haul of one ton all freight	163.0	173.5		10.5
Average number of tons of revenue freight per train mile	624.2	586.7	37.5	
Average number of tons all freight per train mile	654.6	614.2	40.4	
Average number of tons of revenue freight per loaded car mile	20.2	19.7	.5	
Average number of tons all freight per loaded car mile	21.1	20.6	.5	
Average number of freight cars per train mile	46.6	46.0	.6	
Average number of loaded cars per train mile	31.0	29.8	1.2	
Average number of empty cars per train mile	14.6	15.2		.6
Total freight revenue	\$29,735,276.62	\$25,038,103.72	\$4,697,172.90	
Average amount received for each ton of freight	cts. 89.9	cts. 95.5		cts. 5.6
Average revenue per ton per mile	cts. 0.518	cts. 0.516	cts. 0.002	
Average revenue per mile of road	\$19,261.97	\$16,569.46	\$2,692.51	
Average revenue per train mile	\$3.24	\$3.03	\$0.21	

	PASSENGER			
Number of interline passengers carried	1,244,806	1,072,719	172,087	
Number of local passengers carried	7,739,975	7,485,626	254,349	
Total number of revenue passengers carried	8,984,781	8,558,345	426,436	
Total number of revenue passengers carried one mile	558,647,351	491,518,018	67,129,333	
Miles of road operated in passenger service	1,516.21	1,529.80		13.59

*The Lake Shore and Michigan Southern Railway Company***TRAFFIC STATISTICS—Concluded****PASSENGER—Continued**

	1909	1908	Increase	Decrease
Number of revenue passengers carried one mile per mile of road	368,450	321,296	47,154	
Average distance each revenue passen- ger carried	62.18	57.43	4.75	
Average number of passengers per train mile	64.59	60.89	3.70	
Average number of passengers per car mile	16.18	16.86		.68
Average number of passenger cars per train mile	6.99	6.55	.44	
Total passenger revenue	\$10,154,220.17	\$ 9,073,668.76	\$ 1,080,551.41	
Average amount received from each pas- senger	\$ 1.13	\$ 1.06	\$ 0.07	
Average revenue per passenger per mile	cts. 1.818	cts. 1.846		cts. 0.028
Total passenger service train revenue	\$14,418,353.16	\$13,207,312.97	\$ 1,211,040.19	
Average passenger service train revenue per mile of road	\$ 9,509.47	\$ 8,633.36	\$ 876.11	
Average passenger service train revenue per train mile	\$ 1.67	\$ 1.64	\$ 0.03	

TOTAL TRAFFIC

Operating revenues	\$45,110,997.15	\$39,066,941.55	\$ 6,044,055.60	
Operating expenses	28,023,661.04	25,206,504.44	2,817,156.60	
Net operating revenue	\$17,087,336.11	\$13,860,437.11	\$ 3,226,899.00	
Operating revenues per mile of road	\$ 29,121.53	\$ 25,853.31	\$ 3,268.22	
Operating expenses per mile of road	18,090.75	16,680.90	1,409.85	
Net operating revenue per mile of road	\$ 11,030.78	\$ 9,172.41	\$ 1,858.37	
Operating revenues per train mile	\$ 2.54	\$ 2.40	\$ 0.14	
Operating expenses per train mile	1.58	1.55	0.03	
Net operating revenue per train mile	\$ 0.96	\$ 0.85	\$ 0.11	

*Annual Report**EQUIPMENT STATISTICS*

	1909	1908
Average mileage per engine	37,357	35,472
Cost of repairs per engine mile	cts. 6.01	cts. 5.80
Total capacity of freight train cars, tons	1,545,095	1,543,160
Average capacity of freight train cars, tons	39'09	38'45
Seating capacity of passenger cars	24,556	23,260
Average seating capacity of passenger cars	65	64
Average mileage per passenger train car	64,034	61,589
Average cost of repairs per passenger train car mile	cts. 1.17	cts. 1.21

MISCELLANEOUS STATISTICS

CONSUMPTION OF FUEL BY LOCOMOTIVES

	1909	1908
Total tons of coal (bituminous)	1,963,760	1,749,243
Average pounds consumed per mile run by locomotives in freight service	194	200
Average pounds consumed per mile run by locomotives in passenger service	100	101
Average cost of fuel per ton	\$1.67	\$1.71
Average cost of fuel per locomotive mile	cts. 11.64	cts. 12.09

NEW STEEL RAIL LAID DURING THE YEAR

23,113 tons 100 pound rail, average price per ton \$28.00
 2,610 tons 80 pound rail, average price per ton 28.00

NEW TIES LAID DURING THE YEAR

Hard wood	1,114,977
Soft wood	62,259
Total	<u>1,177,236</u>

Average price at distributing points, cents, 74

*The Lake Shore and Michigan Southern Railway Company**EQUIPMENT**EQUIPMENT OWNED*

LOCOMOTIVES

	1909	1908
Passenger service	145	152
Freight service	408	416
Switching service	212	225
Inspection service	3	3
Totals	<u>768</u>	<u>796</u>

CARS IN PASSENGER SERVICE

Passenger cars	245	228
Smoking cars	59	61
Combination cars	46	47
Emigrant cars	2	4
Baggage cars	170	173
Postal cars	62	60
Dining and buffet cars	31	27
Horse cars	6	6
Officers' and pay cars	11	11
Air brake instruction cars	1	1
Totals	<u>633</u>	<u>618</u>

CARS IN FREIGHT SERVICE

Box cars	12,042	12,915
Box cars (automobile)	1,963	1,975
Stock cars	257	305
Flat cars	4,076	3,977
Gondola cars, drop bottom	5,910	6,201
Gondola cars, plain bottom	3	
Gondola cars, drop bottom, steel	1	1
Gondola cars, hopper bottom, steel	5,498	5,499
Gondola cars, plain composite	1,000	1,000
Gondola cars, self clearing, steel	2,498	1,498
Coal and ore cars, side dump	130	142
Coke cars	853	1,036
Caboose cars	414	424
Totals	<u>34,645</u>	<u>34,973</u>

*Annual Report**EQUIPMENT—Continued**EQUIPMENT OWNED—Concluded*

CARS IN COMPANY'S SERVICE			1909	1908
Ballast cars, steel			80	80
Ballast cars, wood			582	583
Derrick cars			27	27
Steam shovels			12	12
Pile drivers			5	4
Snow plows			11	11
Tool and other work cars			882	770
Totals			<u>*1,599</u>	<u>1,487</u>
FLOATING EQUIPMENT				
Tugs			1	2
Dredges			1	1
Scows			4	4
Naphtha launches			1	1
Totals			<u>7</u>	<u>8</u>
LEASED UNDER EQUIPMENT TRUST				
LOCOMOTIVES				
Passenger service			45	45
Freight service			45	45
Switching service			35	35
Totals			<u>125</u>	<u>125</u>
CARS IN PASSENGER SERVICE				
Passenger cars			<u>25</u>	<u>25</u>
CARS IN FREIGHT SERVICE				
Box cars			495	497
Box cars (automobile)			499	499
Gondola cars, hopper bottom, steel			2,000	2,000
Gondola cars, self clearing, steel			1,000	1,000
Totals			<u>3,994</u>	<u>3,996</u>
CARS IN COMPANY'S SERVICE				
Ballast cars, steel			<u>200</u>	<u>200</u>
LEASED UNDER RENTAL AGREEMENT				
CARS IN FREIGHT SERVICE				
Box cars			1,000	1,292
Stock cars			298	300
Totals			<u>1,298</u>	<u>1,592</u>

*Includes 14 company's service cars owned by Jamestown, Franklin and Clearfield Railroad Company.